

Good afternoon ~~from~~ my Name is John Haag
Speaking in favor of ^{this} Bill

I used 6 yrs ago ^{for expansion} ~~when my~~ SON Josh
graduated college & wanted to
Return to the Farm ~~and~~ ^{become} ~~the next~~ ^{generation}
~~allowed us to expand to bring in~~
~~next generation~~

Because of original expansion we have
~~been~~ been able to start milking 3x/day
which created another Full time position
& 3 part time position.

~~approximate credit~~ was ~~approximately 30K~~
this credit was not only Reason to expand
at this time but it was one of Reasons

~~Wisconsin's Dairy Industry~~
we are not currently planning any Future
expansion. Our goal now is to keep modernizing
our facilities & increasing efficiency.

Wisconsin's Dairy industry has been growing
the last several years, anything that can
be done to help the industry along is
a good thing Thank you

John Haag
Haag Dairy LLC
6868 Buethin Rd Dave W.
53529

~~Thank you for~~ IN Support of this bill

FARM INFO: Gary, Troy, Chuck Ripp 950 Dairy Cows

DANE, WI. 15 miles NW of Capitol

Ripp's Dairy Valley LLC rdv56@tds.net

PTS

^{continue}
Wisconsin needs to Be A friendly State for Ag. (Dairy)

Gov. Walker Wis. is open for Business

We produce the highest Quality milk we can.

To produce the highest quality product, we also need to have healthy + comfortable cows + youngstock.

This bill will help provide extra incentives when planning A new building or for equipment needed to harvest milk.

IN our case the Limit was 500,000 + we could be granted 50,000 or 10% for investing in ~~the~~ Dairy Housing.

Last year this tax credit was expanded to A total of 750,000, that gave us another \$25,000 or 10% to put towards the planning of our new youngstock Building + more to build in the future.

Although there are NO ~~any~~ guarantees, ~~and~~ we feel our next generation is growing older + soon can take over the family farm.

Tax credits are there for A lot of other businesses in Wisconsin + should be here for Dairy Farms.

* Remember Wisconsin is open for business.

Let's ^{help} keep us here to continue business.

THANK you for allowing me to discuss the Importance of BILL #5



1 South Pinckney Street, Suite 810, Madison, WI 53703-2869
608.258.4400 fax 608.258.4407
400 Selby Avenue, Suite Y, St. Paul, MN 55102-4520
651.228.0213 fax 651.228.1184
www.cooperativenetwork.coop

January 26, 2011

To: Members, Assembly Committee on Agriculture

From: John Manske, Director of Government Relations

RE: Support for Assembly Bill 5

Cooperative Network represents 600 cooperatives, mutual insurance companies, and credit unions owned by approximately 2.9 million Wisconsin members. Among our members are dairy cooperatives that market the majority of milk produced in Wisconsin and produce close to 60% of our cheese. We are in support of AB 5, which would extend the dairy and livestock farm investment credits for five years, through tax year 2016.

Cooperative Network was the primary statewide association that successfully advocated for the creation of the dairy farm modernization investment tax credit that was put in place by 2003 Wisconsin Act 135. The initiative was undertaken to help start the reversal of a decline in the dairy industry that was occurring in Wisconsin at that time. Most Wisconsin dairy farms had not adopted technology that was common in states with growing dairy industries and most farms were utilizing outdated and inefficient facilities and equipment.

In no small part due to this credit, the declining fortunes of our dairy industry were reversed. Herd numbers have increased after years of decline and increased milk is welcomed at Wisconsin dairy processors. Over a billion dollars of infrastructure investment has been made in dairy operations alone during the life of the credit. The 2010 Dairy Producer Survey undertaken by the USDA's National Agricultural Statistics Service in cooperation with DATCP, revealed an estimated \$1.41 billion spent by Wisconsin dairy farm operations from 2006 to 2010 in improving their facilities. This does not include investments in cattle or land. And that data did not include the first two tax years that the investment tax credit was law, 2004-2005.

Yet many dairy operations remain that will benefit by extending the eligible years of receiving a credit for facility and equipment investment. The above-mentioned survey also estimates that "over the next five years, dairy farmers plan on spending \$1.18 billion on investments for new facilities and upgrades." And while a majority of the cows in the state are housed in more modern free stall barns, 60 percent of operations have the old style stanchion barns.

This tax credit results in dividends to Wisconsin such as an overall strengthened dairy and livestock sector, increased real estate value for localities and improved efficiencies of operation on more of our family owned farms. It has enjoyed broad bipartisan support in the past and we ask that it receive it once more. Thank you for considering this request.



KEITH RIPP

47TH ASSEMBLY DISTRICT

January 26, 2011

Representative Keith Ripp
Testimony on Assembly Bill 5

First I would like to thank the chairman for scheduling this bill for a public hearing and committee members for allowing me to speak.

Wisconsin has a \$26.5 billion dollar dairy industry but with aging dairy infrastructure these credits are needed to help farmers and dairy producers improve animal housing facilities and modernize to ease the burden of intensive labor that we as farmers are fully aware of. The Wisconsin Dairy and Livestock Farm Investment Credit is a nonrefundable credit equal to 10% of the amount the claimant paid in the taxable year for dairy or livestock farm modernization or expansion related to the operation of the claimant's dairy or livestock farm. The aggregate amount of credits that a claimant may claim is \$75,000.

Wisconsin's dairy industry is under assault from California as the state has aggressively advertised to try gain market share but it's also under assault from time. As the members of this committee know, new advances in technology happen constantly in agriculture and farms of all sizes must maintain affordability to make those advances. This bill will truly affect the family farm that wants to modernize. The large producers will expand and modernize without this credit but the family farm is where this bill will make a significant impact. Without this credit, we will continue to lose the family owned farms where we grew up and we cherish so deeply. As the dairy state we identify with the Wisconsin family farm ideal, the red barn with rolling hills of grazing dairy cows and cropland. Assembly Bill 5 will allow those farms to continue to exist and exist in a meaningful way. Updating and renovating the family farm will allow the next generation to assume ownership and operate with modern facilities. With continued hard work, future generations will be able to make a meaningful living without the struggles aging dairies & livestock operations are now facing. The Dairy & Livestock Farm Investment Credit is necessary and should not be allowed to expire.

Currently the dairy or livestock farm modernization and expansion tax credit is scheduled to sunset January 1, 2012. Assembly Bill 5 would extend the tax credit until January 1, 2017. This credit was enacted in 2003 with Act 135, and was originally scheduled to end January 1, 2010. Assembly Bill 756 extended those tax credits to January 1, 2012 and now I am asking your support to extend those credits till 2017.



KEEPING THE COWS IN WISCONSIN™

Testimony in Support of AB 5 – Dairy and Livestock Investment Tax Credits

Wednesday, January 26, 2011

Chairman Nerison and committee members, thank you for the opportunity to speak in favor of Assembly Bill 5 regarding dairy and livestock investment tax credits.

The Dairy Business Association is an industry organization comprised of dairy producers, vendors, allied industry partners and professionals actively working to assure that dairy producers, large and small, remain an active, thriving part of Wisconsin's economy and communities. We are dedicated to being proactive in ensuring a strong and vibrant future for the dairy industry in Wisconsin.

We applaud this committee's bipartisan commitment toward our state's strong and proud dairy industry. This legislation allows farmers to obtain additional tax credits for the modernization of Wisconsin's numerous dairy and livestock farms. These tax credits are significant in that they reduce the farmer's financial risk and create a positive incentive for reinvestment in our agricultural infrastructure.

These tax credits have provided dairy farms a positive outlook and economic incentives to expand and modernize their operations. A past analysis has shown that dairy and livestock farms have invested more than \$1 billion in private equity to refurbish farming operations in Wisconsin. As a result of these efforts, Wisconsin has seen its dairy cow numbers increase for the first time in a generation and a reduction in the rapid exodus of dairy farms that has occurred over the past 25 years.

Wisconsin still holds the title of being the cheese capitol of our nation. We cannot afford to have our dairy production remain static. We also cannot ignore the fact that 87% of the milk going into our cheese production comes from Wisconsin cows. The Wisconsin Cheesemakers Association tells us that the remaining 13% of the milk used for our cheese production is shipped into Wisconsin from out of state.

This is an unacceptable statistic; and it is DBA's position that expansion of the dairy and livestock tax credits is the next essential step, beyond strengthening the livestock siting law and implementing the Working Lands Initiative, if we are to continue to grow Wisconsin's dairy industry.

We encourage you to expand the dairy and livestock tax credits and ensure the viability of the 128,000 dairy-related jobs that put more than \$26 billion into our economy. America's Dairyland cannot afford

to lose more dairy farms and we cannot afford to lose any more of the associated manufacturing, transportation, packaging and other skilled jobs that dairying supports. It is imperative that this important segment of our state's economy continues to grow.

We are thankful that you have recognized the important role investment in our dairy and livestock farms will have on the stability of our agricultural industry in our state as well as the economic sustainability of the rural communities that depend upon them.

Please pass AB 5 and help us increase our productive capacity so that we can meet the demands of our cheese production industry.

Thank you and I'd be willing to take any of your questions.



LEE NERISON
96TH ASSEMBLY DISTRICT

Capitol:

Post Office Box 8953

Madison, WI 53708-8953

(608) 266-3534

Toll-Free: (888) 534-0096

Fax: (608) 282-3696

Rep.Nerison@legis.wi.gov

District:

S3035 CTH B

Westby, WI 54667

(608) 634-4562

Policies for Assembly Committee on Agriculture 2011-12 Session

Please note: Any exceptions to the committee policies will be made at the sole discretion of the Chairman.

Committee Meeting Location, Day and Time

The committee's regular meetings occur on even Thursdays in Room 413 North (Grand Army of the Republic [GAR]). The standard starting time will be 10:00 a.m.

Attendance

Please notify the Committee Clerk if you are unable to attend a scheduled meeting or if you will be late.

No distinction will be made between an excused absence and an unexcused absence in the committee record or on the official attendance sheet reported to the Chief Clerk. Please request if you would like a distinction made in the committee files.

Public Hearings and Executive Sessions

The Chairman may impose a time limit on testimony from speakers.

The roll call for public hearings and executive sessions will be held open until the adjournment of the hearing. Members arriving late should check with the Committee Clerk or Chairman to make sure their attendance is noted.

Members must be present when the committee is in session to vote. If a member is absent when a vote is taken, the roll will be held open until the committee has adjourned.

Registrations

Registration slips for individuals not in attendance at the public hearing will not be accepted.

Amendments

Amendments must be distributed to all committee members at least 24 hours, not counting weekends or state holidays, in advance of the executive session's start time.

Amendments must be in written form and drafted by either the Legislative Council or the Legislative Reference Bureau.